



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0689	<b>Title:</b>	Revise solid waste management laws for electric generation facilities
<b>Primary Sponsor:</b>	Olson, Alan	<b>Status:</b>	Second Reading

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
State Special Revenue	\$0	\$12,000	\$23,200	\$34,400
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of Fiscal Impact:

Over the four year period, solid waste revenues are anticipated to have a net increase of \$63,880 to the state special revenue fund. The regulation of electrical generation facility waste will have no impact on the general fund.

## **FISCAL ANALYSIS**

### Assumptions:

#### **Department of Environmental Quality (DEQ)**

1. The United States Environmental Protection Agency will adopt coal combustion waste regulations in calendar year 2008.
2. The DEQ will adopt regulations during FY 2009.
3. Two stakeholder meetings will be held to gather community input prior to issuing notice of intent to adopt new rules as part of the Administrative Rules of Montana.
4. Wastes generated by coal burning electrical generating facilities (fly and bottom ash) are classified as Group II wastes and therefore can be disposed of in Class II landfills. Responsibility for licensing and regulatory oversight of Class II landfills falls under the DEQ solid waste program.
5. Off-site disposal of wastes generated by electrical generation facilities can take place in existing Class II landfills, or specially constructed ash monofills. The latter requires the same licensing effort as a Class II landfill for municipal solid waste or Group II wastes.

6. To undertake the Class II application process for an ash monofill waste management system, it is assumed that the average coal fired electrical generation facility will dispose of approximately 70,000 tons of ash in a calendar year for which the facility would pay \$0.10 per ton.
7. One ash monofill will be permitted by the department in each year FY 2009, FY 2010, and FY 2011. The application fee is \$12,000. Permitted facilities pay a \$4,200 annual license fee.
8. The staff requirement for this bill includes 120 hours of an Environmental Specialist (pay band 6) for the rule writing process and 376 hours of an Environmental Specialist (pay band 6 or 7) for the application process on a straightforward application. The necessary staff is currently in place and these hours would be absorbed by the program.
9. Costs to DEQ for application processing are anticipated to be minimal and can be covered by existing resources.

	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Total</b>
<b>Facility A</b>					
License application fee	0	12,000	0	0	\$12,000
Annual license fee	0	0	4,200	4,200	\$8,400
Annual Tonnage Fee @ \$0.10/ton	0	0	7,000	7,000	\$14,000
<b>Facility B</b>					\$0
License application fee	0	0	12,000	0	\$12,000
Annual license fee	0	0	0	4,200	\$4,200
Annual Tonnage Fee @ \$0.10/ton	0	0	0	7,000	\$7,000
<b>Facility C</b>					\$0
License application fee	0	0	0	12,000	\$12,000
Annual license fee	0	0	0	0	\$0
Annual Tonnage Fee @ \$0.10/ton	0	0	0	0	\$0
<b>Total Estimated Revenue</b>	\$0	\$12,000	\$23,200	\$34,400	\$69,600

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$0		\$0	\$0
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$0	\$12,000	\$23,200	\$34,400
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$12,000	\$23,200	\$34,400

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*